

"Ag Notes"

A SUMMARY OF NEWS, EVENTS AND FACTS FROM USDA



Interior Secretary Gale Norton, Secretary Veneman and EPA Administrator Christie Todd Whitman conduct press briefing to discuss the President's \$30.4 billion budget proposal for conservation and the environment in the combined agencies. 2/3



Flowers are placed beneath the official portrait of Secretary Lyng at USDA headquarters in Washington, DC in memory of his life-long dedication and service to the nation.

President proposes \$74 billion USDA budget

Details of the President's proposed FY 2004 budget for USDA programs and services, released yesterday by Secretary Veneman, include record spending for important farm conservation measures, food safety protections, and nutrition and food assistance programs. The \$74 billion request is 2% higher (\$1.4 billion) than the previous year and \$5.4 billion higher (or 8% growth) since FY2001.

"This budget reflects this Administration's continued commitment to strong conservation practices to help farmers, protection of our food supply and ensuring strong nutrition programs for a healthier America," said Veneman. "We have seen USDA's budget grow by 8 percent since this Administration came to office, representing a strong record and commitment to farmers and ranchers, trade expansion and rural development."

Prior to the usual media briefing covering the entire USDA budget, Secretary Veneman was joined by Interior Secretary Gale Norton and Environmental Protection Agency Administrator Christine Todd Whitman to highlight the Bush Administration's conservation and environmental budgets, which are funded at \$30 billion, up more than \$1 billion from FY 2003. Veneman said, "Many of these programs are providing incentives for our nation's farmers and ranchers, the best stewards of the land, to better protect and conserve working farmlands. This is not only good news for agriculture, but for communities throughout the country." **(Continued, pg. 3)**

USDA mourns the passing of Secretary Lyng --

Former Agriculture Secretary Richard E. Lyng passed away on Saturday, February 1 at his home in Modesto, California. He served as Secretary during the Reagan Administration from 1986 - 1989 and Deputy Secretary from 1981 - 1986.

In learning of his death, Secretary Veneman said, "Secretary Lyng was a visionary leader in agriculture who worked passionately on behalf of this nation's farmers and ranchers. He was a friend, a mentor and person of great integrity whose insight, candor and wisdom will be sorely missed.

"I join the entire USDA family and agriculture community throughout the nation in offering our deepest sympathies and prayers to the entire Lyng family, particularly his daughters and grandchildren.

"Secretary Lyng shared many friends and colleagues and touched the lives of so many people. Today while we mourn his loss, we also celebrate a remarkable man and an inspiring life journey."

A memorial service will be held for Secretary Lyng in Modesto on February 10 at 11 a.m. at Our Lady of Fatima Church. In lieu of flowers the Lyng family asks that a donation be made to the Gallo Art Center, P.O. Box 1579, Modesto, CA 95353 or the Stanislaus Agricultural Center Foundation, P.O. Box 3070, Modesto, CA 95353.

USDA is planning a memorial service in Washington, D.C. Details regarding the service will be available in the near future.



Secretary Veneman talks to cattlemen at the annual convention and trade show of the National Cattlemen's Beef Association. Earlier she announced to an overflow crowd of 1,200 that President Bush would propose a record \$3.9 billion for conservation programs to strengthen environmental stewardship on the nation's farmlands. 1/30



Agriculture Secretary Ann M. Veneman discussed the development of new beef products with producers who are adding value to beef cuts.



Rural Utilities Service Administrator Hilda Legg, Undersecretary Tom Dorr, and Secretary Veneman at a Video Conference round-table discussion about the proposed \$196 million for telecommunications and broadband technology with constituents in Kansas, Virginia, and Mississippi. 1/29

USDA assists in search for Shuttle debris

In the wake of the Feb. 1 Columbia Shuttle tragedy, USDA agencies in Texas and Washington, D.C. have lent personnel and equipment to aid in the recovery of debris scattered over a 28,000 square mile area.

"USDA employees have joined in the recovery efforts and are lending their expertise during this difficult time," said Secretary Veneman. "We want to do everything we can to help NASA determine the cause of this terrible tragedy and to provide comfort for the families left behind."

The debris field lies in part on the National Forests and Grasslands in Texas and the Kisatchie National Forest in Louisiana. Working with the state Texas Forest Service, USDA's Forest Service has deployed about 265 personnel to aid in the search and operate videography aircraft, ATV's and Global Positioning Systems (GPS). Likewise the Texas Farm Service Agency, Rural Development and Natural Resources Conservation Service personnel are providing their knowledge of remote locations within the 33 county debris field as well as GPS units, laptop computers, pickup trucks, manpower and office space.

The Food and Nutrition Service is providing commodities to assist the Salvation Army in the preparation of meals for the Shuttle Columbia recovery workers and volunteers.

Farm Bill implementation news—

--USDA will hold the next informational briefing about the wide array of agency services available to customers within the context of the 2002 Farm Bill on Monday, Feb. 24, at the Trade, Recreation, Agricultural Center (TRAC) facilities, 6600 Burden Boulevard, Pasco, Washington.

--Producers wishing to update bases and yields have a new option available to prove yields for payment purposes. Secretary Veneman announced Jan. 31 those who did not own eligible land in prior years and/or did not farm the land and cannot obtain historical production evidence, can ask the county committee to establish a yield for the farm. That yield will be based on similar farms in the local farming community or the LDP records for the farm, however the assigned yield from similar farms cannot exceed the county average. April 1, 2003 is the initial deadline for sign-up for Direct and Counter-Cyclical programs.

--Second round of 2002 crop counter-cyclical payments for cotton, rice and peanuts began Feb. 3. These payments represent 70 percent of the total projected payment, minus any payments received in the first partial payment made after October 1. There are no 2002 counter-cyclical payments for wheat, corn, other feed grains or soybeans because 2002 effective prices exceed the respective target prices.

--Apple growers began to receive \$94 million in payments on Jan. 31, the third phase of the 2000 Apple Market Loss Assistance Program. "This program will provide assistance to apple producers throughout the country," Veneman said. She also noted that since early November USDA made nearly \$75 million in payments to apple growers under the second phase of the program.

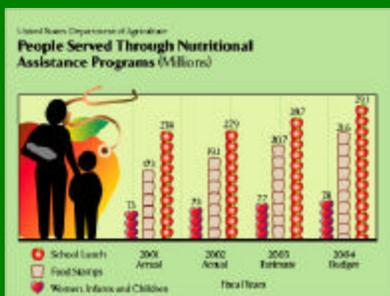
--Hard White Wheat Incentive Program was announced Jan. 29. Sign-up begins March 3. Growers of both hard white winter wheat and hard white spring wheat are eligible for incentive payments. White wheat is preferred for noodles and is in demand by North African and central Asian bread markets.

For USDA budget fact sheets and complete information go to: www.usda.gov/budget

The budget calls for record level conservation program funding—



And record--\$42.9 billion—in spending for domestic food assistance programs; food stamps, Women Infants and Children (WIC) and the school lunch and breakfast programs.



The proposed rural development budget will provide 49,000 new homeownership opportunities for low and moderate-income families in rural areas.



Budget Highlights—

The FY2004 budget supports the goals outlined in the Administration's policy book, *Food and Agriculture Policy: Taking Stock for a New Century*, and the Department's 5-year strategic plan." Key aspects include--

- Safeguarding America's Homeland and Protecting the Food Supply—** \$899 million for the Food Safety Inspection Service, an increase of nearly \$42 million over FY 2003. The funds will add 80 inspectors to a force of 7,680, strengthen laboratory security and fund new research projects.
- Continued Implementation and Administration of the 2002 farm bill—**a record \$3.9 billion in FY 2004 for conservation funding, natural resources protection. This includes \$432 million for conservation technical assistance; \$2 billion for the CRP (+\$139 million); \$850 million for EQIP (+255 million); \$112 million for the Farmland Protection Program (+\$27 million); \$250 million for the Wetlands Reserve program to enroll an additional 200,000 acres; \$85 million for the Grassland Reserve Program (+\$13 million); \$51 million for the Ground and Surface Water Conservation (+\$13 million); \$42 million for the Wildlife Habitat Incentives Program (+\$16 million); \$19 million for the Conservation Security Program; and \$8 million for Klamath Basin water conservation and water quality projects.
- Unprecedented Funding for a Food and Nutrition Safety net—**a record \$42.9 billion for domestic food assistance programs, a \$1.7 billion increase from last year. The request supports an estimated 21.6 million food stamp participants; a record level of 7.8 million low-income, WIC participants; and an average of 29 million school children served each day.
- Expanding Agricultural Trade and Supporting International Food Assistance Programs--**\$6.2 billion, an 18 percent increase or \$961 million in additional spending since FY 2001. Nearly \$1.6 billion is for food assistance including \$50 million for the new McGovern-Dole International Food for Education and Child Nutrition Program.
- Increasing Housing Opportunities and Investment in Rural America—**\$11.9 billion is proposed for rural development programs including nearly \$4.1 billion for direct and guaranteed single family housing loans compared to \$2.8 billion in FY2003. The increase will provide 49,000 new homeownership opportunities for low and moderate-income families in rural areas. The budget also proposes spending \$196 million for telecommunications and broadband technology, building on more than \$1.4 billion in loan and loan guarantees announced by Secretary Veneman on Jan. 29 in a live two-way web cast linked to several rural businesses and community centers across the country.
- Strengthening Forest Health and Fire Fighting Capabilities--**\$4.9 billion is requested for U.S. Forest Service programs including record funds for fire suppression. The National Fire Plan at \$1.57 billion is \$173 million above last year's request and the Forest Legacy Program, at \$91 million, an increase of \$21 million above a year ago.
- Improving Departmental Services and Systems—**The budget includes \$178 million, an increase of \$45 million to upgrade technology in its County Service Centers. Most of the increase will be used to provide Geographic Information System technologies to these offices to allow farmers and ranchers more access to satellite mapping and planning information. In addition, the budget supports funding of \$800,000 for the new Assistant Secretary for Civil Rights.